

CLASSGRADE LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 JULY 2018



CLASSGRADE LIMITED
REGISTERED NUMBER:03222222

BALANCE SHEET
AS AT 31 JULY 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	6	2,003	2,225
		<u>2,003</u>	<u>2,225</u>
Current assets			
Stocks	7	70,214	64,573
Debtors: amounts falling due within one year	8	488,082	834,687
Cash at bank and in hand	9	3,519,786	3,303,984
		<u>4,078,082</u>	<u>4,203,244</u>
Creditors: amounts falling due within one year	10	(860,934)	(1,098,349)
Net current assets		<u>3,217,148</u>	<u>3,104,895</u>
Provisions for liabilities			
Other provisions	11	(240,117)	(164,719)
		<u>(240,117)</u>	<u>(164,719)</u>
Net assets		<u><u>2,979,034</u></u>	<u><u>2,942,401</u></u>
Capital and reserves			
Called up share capital	12	10,000	10,000
Profit and loss account		2,969,034	2,932,401
		<u><u>2,979,034</u></u>	<u><u>2,942,401</u></u>

CLASSGRADE LIMITED
REGISTERED NUMBER:03222222

BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

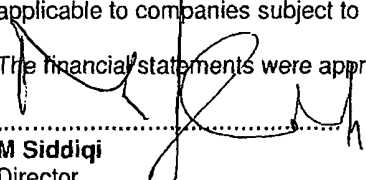
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
M Siddiqi
Director

Date: 29th April 2019

The notes on pages 3 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

1. General information

Classgrade Limited is a private company limited by shares, and incorporated in England and Wales. The address of the registered office is Flat 63, 125 Park Road, London, NW8 7JS.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Functional and presentation currency

The Company's functional and presentational currency is GBP and the financial statements are rounded to the nearest £.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

2. Accounting policies (continued)

2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	- 10% Reducing Balance
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

2. Accounting policies (continued)

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

2. Accounting policies (continued)**2.12 Financial instruments (continued)**

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2017 - 2).

4. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	12,759	7,600
	<u>12,759</u>	<u>7,600</u>

5. Dividends

	2018 £	2017 £
Dividends	30,650	30,650
	<u>30,650</u>	<u>30,650</u>

CLASSGRADE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

6. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 August 2017	7,653
At 31 July 2018	<u>7,653</u>
Depreciation	
At 1 August 2017	5,428
Charge for the year on owned assets	<u>222</u>
At 31 July 2018	<u>5,650</u>
Net book value	
At 31 July 2018	<u><u>2,003</u></u>
At 31 July 2017	<u><u>2,225</u></u>

7. Stocks

	2018 £	2017 £
Work in progress	<u>70,214</u>	<u>64,573</u>
	<u><u>70,214</u></u>	<u><u>64,573</u></u>

8. Debtors

	2018 £	2017 £
Trade debtors	422,193	561,673
Other debtors	<u>65,889</u>	<u>273,014</u>
	<u><u>488,082</u></u>	<u><u>834,687</u></u>

CLASSGRADE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

9. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	3,519,786	3,303,984
Less: bank overdrafts	(116,395)	(108,736)
	<u>3,403,391</u>	<u>3,195,248</u>

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	116,395	108,736
Trade creditors	450,543	558,493
Corporation tax	15,915	50,888
Other taxation and social security	1,009	1,840
Other creditors	277,072	163,149
Accruals and deferred income	-	215,243
	<u>860,934</u>	<u>1,098,349</u>

The aggregate amount of secured creditors amounted to £116,395 (2017: £108,736) as at the balance sheet date.

CLASSGRADE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

11. Provisions

	Provision for contract losses £
At 1 August 2017	164,719
Charged to profit or loss	75,398
At 31 July 2018	240,117

12. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £1.00 each	10,000	10,000

13. Commitments under operating leases

At 31 July 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	6,332	9,091
Later than 1 year and not later than 5 years	5,276	11,608
	11,608	20,699

14. Related party transactions

At the year ended 31 July 2018 the director M Siddiqi was owed £157,785 (2017: £159,320), which was interest free and due in under 12 months.

Dividends of £15,325 were paid to directors during the year.

At the year ended 31 July 2018 the company was owed £55,889 (2017: £179,575), which was interest free and due in under 12 months, from CGL Development Limited, a company of which M Siddiqi is a director and shareholder.

The company has no controlling party.